

The Senate Government Oversight Committee offered the following substitute to HB 864:

A BILL TO BE ENTITLED
AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to remove a participation requirement before the extension of group life policy coverage to dependents of employees or members; to provide cash surrender values of annuities are exempt from claims of creditors; to enact the "Georgia Health Marketplace Act"; to establish the Georgia Health Marketplace to provide access to health care products for Georgia consumers; to provide for definitions; to establish the Georgia Health Marketplace Authority; to provide for its membership and powers; to provide for health care products and programs in the Georgia Health Marketplace; to create a marketing trust fund; to provide for limited liability; to provide for consumer complaints; to provide for catastrophic coverage products; to provide for rules and regulations; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by revising paragraph (1) of subsection (a) of Code Section 33-27-2, relating to the extension of group life policy coverage to dependents of employees or members, to read as follows:

"(1) The premium for the insurance shall be paid by the policyholder either from the employer's or union's funds or funds contributed by the insured employees or members, or from both. ~~If any part of the premium is to be derived from funds contributed by the insured employees or members, the insurance with respect to spouses and children may be placed in force only if at least 75 percent of the then eligible employees or members, excluding any as to whose family members evidence of insurability is not satisfactory to the insurer, elect to make the required contribution.~~ If no part of the premium is to be derived from funds contributed by the employees or members, all eligible employees or members, excluding any as to whose family ~~members~~ members' evidence of insurability

1 is not satisfactory to the insurer, must be insured with respect to their spouses and
2 children;"

3 **SECTION 2.**

4 Said title is further amended by revising Code Section 33-28-7, relating to right of
5 beneficiaries and assignees to proceeds of annuity, reversionary annuity, and pure
6 endowment contracts as against creditors, to read as follows:

7 "33-28-7.

8 The cash surrender values or proceeds of annuity, reversionary annuity, or pure endowment
9 contracts issued to citizens or residents of this state, upon whatever form, shall not in any
10 case be liable to attachment, garnishment, or legal process in favor of any creditor of the
11 person who is the beneficiary of such annuity contract unless the annuity contract was
12 assigned to or was effected for the benefit of such creditor or unless the purchase, sale, or
13 transfer of the policy is made with the intent to defraud creditors."

14 **SECTION 3.**

15 Said title is further amended by adding a new chapter to read as follows:

16 "CHAPTER 62

17 33-62-1.

18 This chapter shall be known and may be cited as the "Georgia Health Marketplace Act."

19 33-62-2.

20 For purposes of this chapter, the term:

21 (1) 'Authority' means the Georgia Health Marketplace Authority established pursuant to
22 Code Section 33-62-3.

23 (2) 'Board' means the board of directors of the Georgia Health Marketplace Authority.

24 (3) 'Commissioner' means the Commissioner of Insurance.

25 (4) 'Fund' means the GHM Marketing Trust Fund, as established in Code Section
26 33-62-6.

27 (5) 'GHM' means the Georgia Health Marketplace established pursuant to Code Section
28 33-62-5.

29 (6) 'Insurer' means any insurer or nonprofit organization authorized to sell accident and
30 sickness policies, subscriber contracts, certificates, or agreements of any form under
31 Chapters 15, 18, 19, 20, 21, 29, and 30 of this title.

1 33-62-3.

2 (a) There is established the Georgia Health Marketplace Authority as a body corporate and
3 politic, an instrumentality of the state, and a public corporation; and by that name the
4 authority may contract and be contracted with and bring and defend actions. The authority
5 shall have perpetual existence.

6 (b) The authority shall be governed by a board of directors composed of ten members as
7 follows:

8 (1) The executive director of the Georgia Technology Authority;

9 (2) The Commissioner of the Department of Community Health;

10 (3) The Commissioner of Insurance;

11 (4) A physician who is licensed under Chapter 34 of Title 43, appointed by the
12 Governor;

13 (5) A representative of a health insurance company licensed to offer health insurance
14 policies in this state, appointed by the Lieutenant Governor;

15 (6) A consumer representative, appointed by the Lieutenant Governor;

16 (7) A health care marketing expert, appointed by the Lieutenant Governor;

17 (8) An agent licensed to offer health insurance policies in this state, appointed by the
18 Speaker of the House of Representatives;

19 (9) A consumer representative, appointed by the Speaker of the House of
20 Representatives; and

21 (10) A hospital administrator, appointed by the Speaker of the House of Representatives.

22 The initial members of the board shall be appointed to terms of office beginning July 1,
23 2008. All members shall serve for terms of three years; provided, however, that for the
24 purpose of providing for staggered terms, of the Lieutenant Governor's and Speaker's
25 initial appointments, one each shall be appointed for a term of one year, two years, and
26 three years, respectively. Any vacancy on the board shall be filled in the same manner as
27 the original appointment, and any member appointed to fill a vacancy occurring because
28 of death, resignation, or ineligibility for membership shall serve only for the unexpired
29 term of the member's predecessor. A member shall be eligible for reappointment.

30 (c) The board shall at its initial meeting and the first meeting of each calendar year
31 thereafter select from among its members a chairperson and a vice chairperson. Meetings
32 shall be held at the call of the chairperson or whenever any two members so request.

33 (d) The members of the board who are not public officers shall be entitled to an expense
34 allowance and reimbursement from funds of the authority for their actual travel expenses
35 necessarily incurred in the performance of their duties and for each day actually spent in
36 performance of their duties in the same manner as provided in Code Section 45-7-21.

(e) A majority of the members of the board shall constitute a quorum for the transaction of business of the authority. The vote of at least a majority of the members present at any meeting at which a quorum is present is necessary for any action to be taken by the board. No vacancy in the membership of the board shall impair the right of a quorum to exercise all rights and perform all duties of the board.

(f) No member or employer of a member shall be eligible to bid on, or enter into, any contract let by the authority or receive payment from the authority as an employee, contractor, consultant, or vendor; provided, however, that this subsection shall not be construed to prohibit a member of the authority or employee of such member from submitting health care products for inclusion on the GHM in accordance with established policies and procedures of the authority.

(g) The authority is assigned to the Department of Community Health for administrative purposes only, as prescribed in Code Section 50-4-3.

33-62-4.

The authority shall have the following powers:

(1) To hire officers, agents, and employees, including an executive director, as necessary to perform the duties and carry out the powers conferred by this chapter;

(2) To have a seal and alter the same at its pleasure;

(3) To make and execute contracts, lease agreements, and all other instruments necessary or convenient to exercise the powers of the authority or to further the public purpose for which the authority is created;

(4) To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real or personal property of every kind and character, or any interest therein, in furtherance of the public purpose of the authority;

(5) To apply for and to accept any gifts or grants or loan guarantees or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source for any or all of the purposes specified in this chapter and to comply, subject to the provisions of this chapter, with the terms and conditions thereof;

(6) To solicit, receive, and review proposals from technology vendors for the development and implementation of technology to operate and maintain the GHM, including an Internet website accessible to all Georgians;

(7) To identify health care products which fall under the categories set out in paragraphs (2) through (6) of subsection (b) of Code Section 33-62-5 for inclusion in the GHM, provided that the authority shall not have the power to directly issue insurance policies;

1 (8) To suspend, at its sole discretion, products from inclusion in the GHM and
2 companies and entities from submitting products for inclusion based on evidence of
3 fraud, provided such suspension or any reinstatement shall occur only upon the written
4 request of the Commissioner or federal law enforcement authorities;

5 (9) To develop and approve specific measurement tools for consumers to use in
6 comparing health care products, including brief summaries of deductibles, copayment
7 requirements, covered providers, benefits, premiums, and coverage limits. To the
8 maximum extent possible, the authority shall utilize cost and quality measurements
9 established by the Georgia Health Information Technology and Transparency Advisory
10 Board;

11 (10) To develop a brief questionnaire of not more than ten questions to enable visitors
12 to the GHM website to obtain instant approximate price quotes consisting of either
13 specific prices or price ranges for products they may wish to purchase. Approximate
14 rates provided by insurers pursuant to such questionnaire shall be used only for
15 informational purposes and shall create no contractual obligation on the part of an insurer
16 to offer an individual a policy at such rate prior to completion of medical underwriting
17 by such insurer. If identical policies are sold by an insurer on the GHM and outside the
18 GHM, monthly premiums shall be comparable to each other for each policy. Information
19 provided by consumers through the GHM for purposes of obtaining price quotes on
20 products shall not be transferred outside the GHM or recorded in written or electronic
21 form by the GHM;

22 (11) To develop a common battery of medical underwriting questions that can be
23 uniformly utilized by health insurance companies on a voluntary basis to medically
24 underwrite policies;

25 (12) To fix and collect fees and charges associated with the operation of the GHM,
26 including but not limited to listing charges for health insurance companies and licensed
27 insurance agents to register on the GHM; provided, however, that any fees and charges
28 collected shall be used only for purposes of promoting the GHM to Georgia consumers
29 and shall not be used for general administrative expenses associated with the GHM;

30 (13) To administer the GHM Marketing Trust Fund, as established in Code Section
31 33-62-6;

32 (14) To deposit or invest funds held by it in any state depository or in any investment
33 which is authorized for the investment of proceeds of state general obligation bonds and
34 to use for its corporate purposes or redeposit or reinvest interest earned on such funds;

35 (15) To exercise any power granted by the laws of this state to public or private
36 corporations which is not in conflict with the public purpose of the authority; and

(16) To do all things necessary or convenient to carry out the powers conferred by this chapter.

33-62-5.

(a) The authority shall establish, operate, and maintain the Georgia Health Marketplace, which shall serve as an Internet portal for access to health care products which fall under the categories set out in paragraphs (2) through (6) of subsection (b) of this Code section and to the PeachCare for Kids Program. The GHM shall also include specific measurement tools for consumers to use in comparing individual health care products, including brief summaries of deductibles, copayment requirements, covered providers, benefits, premiums, financial soundness ratings, and coverage limits.

(b) The health care products and programs included in the GHM shall be in one of the following categories:

(1) PeachCare for Kids Program created by Code Section 49-5-273;

(2) Initiatives or programs established by the Department of Community Health aimed at providing accessible health insurance coverage to employees of small businesses in this state, such as the Health Insurance Partnership;

(3) Traditional individual health insurance products sold by licensed Georgia insurers;

(4) Individual health care savings accounts, including any health care plan offering medical savings accounts, health reimbursement arrangement accounts, or health savings accounts.

(5) Health care services provided directly from a physician or hospital which do not require a health care provider to manage any risk, such as, but not limited to, a set number of office visits, annual checkups, a set range of imaging services, immunizations, and services provided on a regular schedule for chronic diseases. Prior to receiving health care services directly from a physician or hospital pursuant to this paragraph, a consumer shall be required to sign an acknowledgment and understanding of the following statement:

'I understand I am purchasing a prepaid package of medical services. This package of services is not health insurance and provides only prepaid services at a discounted rate. Purchasing this package without also purchasing catastrophic coverage insurance may leave me without coverage for many major medical problems.'

These services shall not be treated as insurance products under Georgia law. The Composite State Board of Medical Examiners shall be responsible for disciplining any physician or physician acting on behalf of a hospital for unprofessional conduct in offering or providing such services; and

(6) Individual catastrophic coverage products only as authorized pursuant to Code Section 33-62-8.

(c) The GHM shall provide consumers who identify health care products on the GHM the option of contacting a health insurance company or a licensed insurance agent by telephone or direct electronic referral to the agent or company website when he or she has additional questions about a product at any point in the selection process, or is ready to purchase a product. For consumers choosing the licensed insurance agent option, licensed agents selling the selected plan shall be listed in the order directed by the authority, with that order being determined by professional qualifications of the agent and the agent's geographical proximity to the address given by the consumer; provided, however, that the authority may take into consideration a licensed insurance agent's history of consumer complaints against such agent in the listed order. The authority shall include on the GHM a description of the important role of licensed agents in educating consumers on health insurance products. Each agent listing provided to the consumer shall include a list of the GHM vendor companies for which the agent is licensed.

(d) The provisions of Chapter 21 of this title shall not be deemed to prohibit licensees thereunder from selling the policies provided for in this Code section.

(e) The purchase of an accident and sickness policy or contract under this Code section shall not preclude the purchaser from purchasing additional limited benefit insurance policies or contracts.

(f) All insurance policies offered for sale on the GHM shall include coverage for the following procedures which are critical to the early detection of life-threatening diseases: ovarian cancer screening, colorectal cancer screening, diabetes screening, pap smears, mammograms, and prostate specific antigen tests. Further, policies offered for sale on the GHM which include a primary care component shall offer beneficiaries the choice of designating an obstetrician or gynecologist as their primary care physician.

33-62-6.

(a) There is created the GHM Marketing Trust Fund as a separate fund in the state treasury. The trust fund shall be administered by the authority.

(b) The trust fund shall consist of such moneys as appropriated by the General Assembly, fees and charges determined and collected by the authority for the operation of the Georgia Health Marketplace, which shall be limited to initial listing charges for health insurance companies and licensed insurance agents to register on the GHM, and private contributions from any source.

(c) State funds received by the authority through appropriations by the General Assembly shall not be expended by the authority unless the authority collects or receives matching

private funds at a ratio of 1:1 to the state funds through fees, charges, or contributions from health insurance companies, licensed insurance agents, or other private sources. State funds not matched within two years shall be returned from the trust fund to the general fund.

(d) Funds from the trust fund shall be expended only for the purpose of entering into competitively bid contracts for private sector marketing, advertising, and public relations to promote the GHM to Georgia consumers. Funds shall not be expended for general administrative expenses associated with the GHM.

33-62-7.

(a) The authority shall not be liable for any acts or omissions of an insurer related to its participation in the GHM.

(b) Consumer complaints relating to health care products and programs purchased or enrolled in through the GHM shall be handled in the same manner as would be applicable if the consumer purchased or enrolled in the health care product or program through other means.

33-62-8.

(a) Notwithstanding any other provision of law and on and after the effective date of this Code section, catastrophic coverage products may be offered by an insurer for purposes of this chapter only. Such products shall:

(1) Have deductibles in at least a minimum amount as established by the authority; provided, however, that an insurer may set a higher deductible. Such minimum amount shall be equal to the amount established by the United States Department of Treasury as the minimum deductible for high deductible health plans, as it exists on the effective date of this Code section. The authority shall establish and maintain rules governing the adjustments of this figure for purposes of inflation which may be based on the method of adjustment for high deductible health plans established by the United States Department of Treasury or on the Consumer Price Index;

(2) Provide coverage for services or treatment based solely upon a contractual agreement between the insurer and the consumer;

(3) Be offered only through the GHM by participating insurers and agents; and

(4) Be available for purchase only by individuals:

(A) Between the ages of 18 and 25; or

(B) Who certify in writing that they will open, within 60 days of purchase of the catastrophic coverage product, and maintain an active health care savings account

capitalized to an amount equal to or greater than the annual deductible of the catastrophic coverage product the individual intends to purchase through the GHM. Products offered pursuant to this Code section shall not be subject to other Title 33 provisions including but not limited to provisions which require specific state mandated health benefits, which regulate premiums, or which regulate the issuance or cancellation of policies.

(b) Prior to purchasing a catastrophic coverage product pursuant to this chapter, a consumer shall be required to sign an acknowledgment and understanding of the following statement:

'I understand that the catastrophic coverage product I am purchasing or enrolling in is not subject to any of the coverage requirements that state law mandates of standard health insurance plans. I understand that in exchange for paying a lower premium, I may be responsible for higher out of pocket expenses if I get sick or am in an accident.'

(c) An insurer that offers one or more catastrophic coverage products through the GHM shall also make available for purchase on the GHM at least one individual accident and sickness insurance policy that contains all state mandated health benefits.

(d) The Commissioner may promulgate rules and regulations as necessary to implement the provisions of this Code section.

(e) All products offered for sale on the GHM pursuant to this Code section shall include coverage for the following procedures which are critical to the early detection of life-threatening diseases: ovarian cancer screening, colorectal cancer screening, diabetes screening, pap smears, mammograms, and prostate specific antigen tests. Further, products offered under this Code section which include a primary care component shall offer beneficiaries the choice of designating an obstetrician or gynecologist as their primary care physician.

33-62-9.

The authority and the Commissioner, as appropriate, shall be authorized to adopt rules and regulations to effect the implementation of this chapter."

SECTION 4.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.